BUS Coughlin Stoia Geller Rudman & Robbins LLP Files Class Action
Sep 21 2007 16:58

Suit against The Children's Place Retail Stores, Inc.

NEW YORK--(BUSINESS WIRE)--September 21, 2007
Coughlin Stoia Geller Rudman & Robbins LLP ("Coughlin Stoia") (http://www.csgrr.com/cases/childrensplace/) today announced that a class action lawsuit has been commenced in the United States District Court for the Southern District of New York on behalf of purchasers of the common stock of The Children's Place Retail Stores, Inc. ("The Children's Place" or the "Company") (NASDAQ:PLCE) between August 3, 2006 to August 23, 2007, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

If you wish to serve as lead plaintiff, you must move the Court no later than 60 days from today. If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact plaintiff's counsel, Samuel H. Rudman or David A. Rosenfeld of Coughlin Stoia at 800/449-4900 or 619/231-1058, or via e-mail at djr@csgrr.com. If you are a member of this class, you can view a copy of the complaint as filed or join this class action online at http://www.csgrr.com/cases/childrensplace/. Any member of the purported class may move the Court to serve as lead plaintiff through counsel of their choice, or may choose to do nothing and remain an absent class member.

The complaint charges The Children's Place and certain of its officers and directors with violations of the Exchange Act. The Children's Place, through its subsidiaries, operates as a specialty retailer of merchandise for children from newborn to ten years of age. The Company designs, contracts to manufacture, and sells apparel and accessories, and other children's-oriented merchandise under The Children's Place and Disney Store brand names.

The complaint alleges that, during the Class Period, defendants issued materially false and misleading statements that misrepresented and failed to disclose: (i) that the Company was experiencing difficulties meeting certain deadlines for the remodeling and maintenance of its Disney stores and Disney was not satisfied with the Company's performance under their agreement; (ii) that, as a result of the Company's performance issues, the Company's exclusive ability to contract, manufacture, source, offer and sell merchandise featuring Disney-branded characters, past, present and future was at risk of being materially altered and/or lost completely; and (iii) as a result of the foregoing, Defendants lacked a reasonable basis for their

positive statements about the Company, its prospects and revenue growth.

According to the complaint, on August 23, 2007, the Company announced, among other things, its preliminary fiscal 2007 second quarter financial results, the Company's revised earnings guidance and an update regarding its license agreement with The Walt Disney Company. Specifically, the Company revealed that it will no longer have an exclusive license agreement with Disney and that certain executives violated Company policies and procedures with regard to the Company's stock option granting process. In response to this announcement, shares of the Company's common stock fell $5.59 per share, or 17%, to close at $27.43 per share, on heavy trading volume.

Plaintiff seeks to recover damages on behalf of a Class consisting of all persons other than Defendants who purchased the common stock of The Children's Place between August 3, 2006 to August 23, 2007. The plaintiff is represented by Coughlin Stoia, which has expertise in prosecuting investor class actions and extensive experience in actions involving financial fraud.

Coughlin Stoia, a 180-lawyer firm with offices in San Diego, San Francisco, Los Angeles, New York, Boca Raton, Washington, D.C., Houston and Philadelphia, is active in major litigations pending in federal and state courts throughout the United States and has taken a leading role in many important actions on behalf of defrauded investors, consumers, and companies, as well as victims of human rights violations. Coughlin Stoia lawyers have been responsible for more than $45 billion in aggregate recoveries. The Coughlin Stoia Web site (http://www.csgrr.com) has more information about the firm.

CONTACT:
Coughlin Stoia Geller Rudman & Robbins LLP
Samuel H. Rudman, 800-449-4900
David A. Rosenfeld
djr@csgrr.com

-0- Sep/21/2007 20:58 GMT